

**DATE:** September 12, 2019

**TO:** Todd Wyett, Chairman  
State Transportation Commission

**FROM:** Paul C. Ajegba  
Director

**SUBJECT:** Waiver of Commission Approval

The projects and descriptions documented in Exhibit A-2, attached, were let by the Michigan Department of Transportation on August 9, 2019. The low bids received were more than 10% over the engineers' estimate and therefore require approval by the State Transportation Commission. The approximate five-week delay resulting if Commission approval were deferred to the next State Transportation Commission meeting on October 17, 2019, would delay the transmittal of the contract documents to the low bidder, and jeopardize the construction schedule.

Thus, a waiver of the required Commission approval is requested, as provided in Commission Resolution 79-3, as amended, footnote F:

“If, in the opinion of the Director, the public interest requires that a certain contract be awarded or an agreement be executed prior to approval by the Commission, hereunder, the Director shall seek a waiver of the required approval from the Chairman of the Transportation Commission. If the request of the approval is verbal, the waiver shall be confirmed, in writing, within fourteen (14) days.”

If the waiver is granted, the Department will proceed to execute the items noted above.

*Signed copy on file*

---

Director

The request for waiver of Commission approval of the above-mentioned items are approved.

*Signed copy on file*

---

Todd Wyett, Chairman

*September 13, 2019*

---

Date

---

## OFFICE MEMORANDUM

---

**DATE:** September 11, 2019

**TO:** State Transportation Commission

**FROM:** Jack Cotter, CPA, CGMA  
Commission Auditor  
Office of Commission Audits

**SUBJECT:** Justification Memorandums

Attached for your information are the department's justification memorandums for Exhibit A-2 items where the low bid exceeded the engineer's estimate by more than ten percent.

*Signed Original on File*

Jack Cotter, CPA, CGMA  
Commission Auditor

Attachments

cc: T. Hagon

**DATE:** August 22, 2019

**TO:** Patrick J. McCarthy, Director  
Bureau of Finance and Administration

**FROM:** Bradley C. Wieferich, Director  
Bureau of Development

**SUBJECT:** Justification Memo for Bid Acceptance in Excess of 10 Percent of Engineer Estimate

Letting Date: August 9, 2019

Project Description: 0.37 mi of hot mix asphalt reconstruction, concrete pavement, curb, gutter, sidewalk and ramps, drainage, signals and pavement markings on I-196BL at 112th Avenue, Ottawa County.

Project Number: 70023-123859-2

Item Number: 1908 026

Low Bidder: Georgetown Construction Company

Eng. Est: \$653,952.07    Low Bid: \$778,597.09    Difference: \$124,645.02    Percent: 19.06

The following shows the engineer's estimate and the proposed bids received for this project:

|                                 |              |
|---------------------------------|--------------|
| Engineer's Estimate             | \$653,952.07 |
| Georgetown Construction Company | \$778,597.09 |
| C & D Hughes, Inc.              | \$787,264.39 |
| Weick Bros., Inc.               | \$796,252.89 |
| McCormick Sand, Inc.            | \$808,920.79 |
| Brenner Excavating, Inc.        | \$811,069.24 |
| Kalin Construction Co., Inc.    | \$857,657.84 |
| Al's Excavating, Inc.           | \$882,966.90 |
| Kamminga & Roodvoets, Inc.      | \$898,312.99 |

### **EXPLANATION FOR DIFFERENCES**

The low bidder had unit prices that varied from the normal range. The main item found to be higher than the engineer's estimate was minor traffic devices. This item was bid higher than normal due to maintaining traffic restrictions and the project schedule. This project is located at a significant intersection with high traffic volumes with lane closures only allowed on weekdays between the hours of 9:00 a.m. and 3:00 p.m. Additional time and labor will be needed to set up and take down traffic control devices daily, increasing costs. Furthermore, left-turning vehicles will need to be detoured while the median crossovers are constructed. Work can begin no earlier than September 9, 2019, and the project must be fully open to traffic by November 1, 2019. This short period of time at the end of the construction season creates challenges for the contractor to meet the required timeframe. The estimator considered these factors when estimating his project but was unable to precisely predict the unit prices

**OVERALL CONCLUSION**

As indicated in the above analysis, the low bid is over the engineer's estimate because of maintaining traffic restrictions and the project schedule. This project received eight bids, ranging from \$778,597.09 to \$898,312.99, which varied by 15.38 percent. The two lowest bids varied by 1.11 percent. We believe that rejecting this bid and re-letting this project will not result in lower bids, and the low bid should be considered reasonable, based on the factors discussed.

The Bureau of Development and the Muskegon TSC request that this project be awarded to the low bidder, based on the above conclusion.

---

Director, Bureau of Development

|                |            |             |               |                    |
|----------------|------------|-------------|---------------|--------------------|
| cc: J. Cotter  | D. Harr    | S. Thurman  | T. Kratofil   | Director Ajegba    |
| V. Lake        | R. Welter  | L. Strzalka | C. Rademacher | MDOT-eProposal     |
| K. Schuster    | J. Hinkle  | M. Shulick  | C. Tennes     | R. Worgess-Carveth |
| S. Fedders     | D. Potvin  | H. Stinson  | K. Curtis     | K. Farlin          |
| L. Bretz       | C. Masseau | B. Rottiers | J. Gutting    | E. Poole           |
| M. Fredrickson | G. Zack    | S. Rozema   | E. Kind       | T. Sauter          |

BOD:DD:QA:DLP:raw

**DATE:** September 9, 2019

**TO:** Patrick J. McCarthy, Director  
Bureau of Finance and Administration

**FROM:** Bradley C. Wieferich, Director  
Bureau of Development

**SUBJECT:** Justification Memo for Bid Acceptance in Excess of 10 Percent of Engineer Estimate

Letting Date: August 9, 2019

Project Description: 3.18 mi of hot mix asphalt cold milling and resurfacing, concrete pavement repair, sidewalk and ramps, signing and pavement markings on Jefferson Avenue from Ecorse River Bridge to Outer Drive and from Outer Drive to River Rouge Bridge in the cities of Ecorse and River Rouge, Wayne County.

Project Number: 82000-203523

Item Number: 1908 031

Low Bidder: Cadillac Asphalt, L.L.C.

Eng. Est: \$3,131,955.58 Low Bid: \$3,734,099.47 Difference: \$602,143.89 Percent: 19.23

The following shows the engineer's estimate and the proposed bids received for this project:

|                              |                |
|------------------------------|----------------|
| Engineer's Estimate          | \$3,131,955.58 |
| Cadillac Asphalt, L.L.C.     | \$3,734,099.47 |
| Ajax Paving Industries, Inc. | \$4,131,435.89 |

### **EXPLANATION FOR DIFFERENCES**

The low bidder had unit prices that varied from the normal range. The main items found to be higher than the engineer's estimate were cold milling asphalt surface, hot mix asphalt paving items, minor traffic devices and traffic regulator control. These items were bid higher than normal due to schedule constraints and maintaining traffic requirements. This project is on an expedited schedule with multiple construction stages. The contractor must have all lanes open to traffic by October 31, 2019. The contractor is also required to have at least one lane of traffic open throughout construction and must provide access for local traffic to driveways. The tight timeframe, late in the construction season and maintaining traffic requirements lead to an increase in cost to the paving and traffic items. The local agency estimator considered several factors when estimating this project but was unable to precisely predict the unit prices.

**OVERALL CONCLUSION**

As indicated in the above analysis, the low bid is over the engineer's estimate because of an expedited schedule and maintaining traffic requirements. This project received two bids of \$3,734,099.47 and \$4,131,435.89, which varied by 10.64 percent. We believe that rejecting this bid and re-letting this project will not result in lower bids, and the low bid should be considered reasonable, based on the factors discussed.

The Bureau of Development and the Wayne County Department of Public Services request that this project be awarded to the low bidder, based on the above conclusion.

---

Director, Bureau of Development

|               |            |                  |               |                    |
|---------------|------------|------------------|---------------|--------------------|
| cc: J. Cotter | D. Harr    | S. Thurman       | T. Kratofil   | Director Ajegba    |
| V. Lake       | R. Welter  | L. Strzalka      | C. Rademacher | MDOT-eProposal     |
| K. Schuster   | J. Hinkle  | M. Shulick       | C. Tennes     | R. Worgess-Carveth |
| S. Fedders    | D. Potvin  | H. Stinson       | K. Curtis     | K. Farlin          |
| L. Bretz      | C. Masseau | B. Rottiers      | J. Gutting    | E. Poole           |
| T. Sauter     | A. Zokvic  | A. Penzenstadler | S. Minton     | K. Avery           |

BOD:DD:QA:RWC:raw

REQUEST FOR MICHIGAN STATE  
TRANSPORTATION COMMISSION APPROVAL  
LETTING EXCEPTIONS AGENDA

September 12, 2019

**TRUNKLINE CONTRACTS**

1. Letting of August 9, 2019  
Letting Call: 1908 026  
Project: HSIP 70023-123859-2  
Local Agreement:  
Start Date: September 9, 2019  
Completion Date: June 3, 2020

Low Bid: **\$778,597.09**  
Engineer Estimate: \$653,952.07  
Pct Over/Under Estimate: 19.06 %

0.37 mi of hot mix asphalt reconstruction, concrete pavement, curb, gutter, sidewalk and ramps, drainage, signals and pavement markings on I-196BL at 112th Avenue, Ottawa County.

4.00 % DBE participation required

| Bidder                                 | As-Submitted        | As-Checked  |             |
|----------------------------------------|---------------------|-------------|-------------|
| <b>Georgetown Construction Company</b> | <b>\$778,597.09</b> | <b>Same</b> | <b>1 **</b> |
| C & D Hughes, Inc.                     | \$787,264.39        | Same        | 2           |
| Weick Bros., Inc.                      | \$796,252.89        | Same        | 3           |
| McCormick Sand, Inc.                   | \$808,920.79        | Same        | 4           |
| Brenner Excavating, Inc.               | \$811,069.24        | Same        | 5           |
| Kalin Construction Co., Inc.           | \$857,657.84        | Same        | 6           |
| Al's Excavating, Inc.                  | \$882,966.90        | Same        | 7           |
| Kamminga & Roodvoets, Inc.             | \$898,312.99        | Same        | 8           |

Total Number of Bidders: 8

## LOCAL AGENCY CONTRACTS

2. Letting of August 9, 2019  
Letting Call: 1908 031  
Project: STU 82000-203523, etc  
Local Agreement: 19-5398  
Start Date: 10 days after award  
Completion Date: May 15, 2020

Low Bid: **\$3,734,099.47**  
Engineer Estimate: \$3,131,955.58  
Pct Over/Under Estimate: 19.23 %

3.18 mi of hot mix asphalt cold milling and resurfacing, concrete pavement repair, sidewalk and ramps, signing and pavement markings on Jefferson Avenue from Ecorse River Bridge to Outer Drive and from Outer Drive to River Rouge Bridge in the cities of Ecorse and River Rouge, Wayne County. This is a Local Agency project.

5.00 % DBE participation required

| Bidder                          | As-Submitted          | As-Checked  |
|---------------------------------|-----------------------|-------------|
| <b>Cadillac Asphalt, L.L.C.</b> | <b>\$3,734,099.47</b> | <b>Same</b> |
| Ajax Paving Industries, Inc.    | \$4,131,435.89        | Same        |

1 \*\*  
2

Total Number of Bidders: 2

On receipt of your approval, projects will, at the Director's discretion, be processed and awarded to the low bidder. I approve the project described in this agenda and authorize the award by the responsible management staff of MDOT to the extent authorized by and in accordance with the December 14, 1983, resolution of the State Transportation Commission and the Director's delegation memorandum of February 11, 2019.

Respectfully submitted,

Paul C. Ajegba, P.E.  
Director